India's efforts in this direction culminated in the signing of a Protocol in the Fifth Session of Indo-Russian Inter Governmental Commission in November, 1998. In the Protocol, it has been proposed to use a part of India Rupee Debts as contribution of the Russian side to the Joint Venture Company.

Accordingly, Govt. of India have already formally presented to the Russian side the draft of an agreement which could be signed between the two countires. The response of the Russian Govt. is avaited. However, any scheme to be taken up for modernisation will have to be in accordance with the orders of the BIFR in this regard.

Down Gradation of SAIL

3050. SHRIMATI VEENA VERMA:
SHRI SANTOSH BAGRODIA:

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government are aware that CRISIL has lately down graded the Steel Authority of India Ltd. (SAIL) from category 'A' (adequately safe) to BBB (moderate safety);

(b) if so, main reasons to which such down gradation was attributable; and

(c) the steps being taken to secure restoration of 'A' category to SAIL?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) and (b) Yes, Sir. The CRISIL has attributed the following factors for down gradation:—

* Increased pressures on sales volumes and realisations.
* Unfavourable capital structure and increased losses due to high financial charges because of high leverage.
* Inability of the Company to generate sufficient cash accruals on account of poor demand conditions and competition.
* Delay in getting full benefits of modernisation.

(c) SAIL has taken the following steps for improving the performance:

* Greater emphasis on cost control measures.
* Introduction of Voluntary Retirement Scheme (VRS) for employees.
* Improvement in techno-economic parameters.
* Increasing sales through aggressive and customer oriented marketing.
* Exploring new ways to bridge the resource gaps through business restructuring initiatives.

Government have also taken following steps to improve the profitability of steel industry including SAIL and to overcome the present problems:—

(i) To boost the demand and consumption of steel, the Development Commissioner for Iron and Steel (DCI&S) has launched a National Campaign.

(ii) To reduce input costs for steel making, the special import duty on several imputs such as coaking coal (ash content <12%), metalurgical coke, ferro nickel, charge nickel and nickel oxide sinters, low silica limestone and graphite eletrodes (>28") has been waived.

(iii) Anti-dumping duty on Hot Rolled Coils imported from Ukraine and Russia has been imposed.

(iv) Rationalization of Duty Entitlement Pass Bok (DEPB) rates for steel exports has been carried out to boost exports.

(v) A Steel Exporter's Forum has been set up to help steel exporters overcome bottlenecks in exports.

(vi) Enhanced project financing to steel sector by All India Financial Institutions and relaxation of External Commercial Borrowing (ECB) norms has been recommended.

(vii) Government has set up an Empowered Committee to examine and assist specific Research and Development Projects to improve

technology for steel making and enhance the quality of Indian Steel.

Appraisal of CIS Export Prices

3051. SHRI NILOTPAL BASU:
SHRI DIPANKAR MUKHERJEE:

Will the Minister of STEEL AND MINES be pleased to state:

(a) London Metal Bulletin's bi-weekly appraisal FOB export prices of HR Coil for the month of October, November and December '98;

(b) whether the above includes MB's appraisal of CIS export prices; and

(c) if not, the reason therefor and MB's appraisal CIS export prices during the same period?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) and (b) Government does not appriase the London Metal Bulletin's export prices. However, FOB prices of export of HR Coils from different countries as published in the London Metal Bulletin (bi-weekly) for the month of Oct. to Dec., 1998 were as under:

$/tonne(Average)

	European Mills	CIS countries
October '98	228	187
November '98	210	166
December '98	205	154

(c) Does not arrise in view of (a) above.

Import of Seconds and Defective Steel

3052. SHRI DIPANKAR MUKHERJEE:
SHRI NILOTPAL BASU:

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Steel Ministry had requested the Commerce Ministry to take steps to remove import of seconds and defective below a certain floor price from OGL;

(b) if so, when was the request made;

(c) whether subsequently it was decided to fix the floor price for seconds and defective along with prime steel; and

(d) if so, the reasons for including prime steel?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) Yes, Sir.

(b) The recommendations for removal of seconds and defective steel items, below a floor price from OGL were made on 12th Nov. '98.

(c) and (d) The Working Group set up by the Finance Minister had inter alia also recommended fixed customs duty on certain steel items. However, during discussions on the subject with Ministry of Finance, the Department of Steel was advised to approach Ministry of Commerce for fixing floor prices for prime products also. Therefore, recommendations to this effect were also sent to the Ministry of Commerce.

Imported machinery under EPCG Scheme

3053. SHRI DIPANKAR MUKHERJEE:
SHRI NILOTPAL BASU:

Will the Minister of STEEL AND MINES be pleased to state:

(a) the names of the new generation private steel companies which have imported machinery under EPCG Scheme;

(b) the value of the import concessions obtained by the aforesaid companies under the above scheme;

(c) total value of the exports executed by these units so far; and

(d) shortfall, if any, and the time-frame by which the same is to be made up?